

**Ghana AGOA Committee Study Tour to
South Africa and Mauritius**

November 4-13, 2002

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Sigma One Corporation

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Submitted to:

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Mission to Ghana**

for:

**Trade and Investment Reform Program (TIRP)
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by:

**Mr. Michael F. Klesh
Sigma One Corporation**

In fulfillment of the following milestones:

- 2.38 Assit MOTI and the private sector to access the trade benefits from
the recently enacted AGOA**

November 2002

Sigma One Corporation

**AFRICAN GROWTH &
OPPORTUNITY ACT (AGOA):
Ghana AGOA Committee Study Tour
to South Africa and Mauritius**

(November 4-13, 2002)

Compiled by Michael F. Klesh – Sigma One, November 30, 2002

Overview

The delegation to South Africa and Mauritius was a U.S. Agency for International Development (USAID) -Ghana funded AGOA Study Tour mission of Ghanaian government officials and private sector representatives involved in stimulating textile and garment exports under AGOA (the U.S. Africa Growth and Opportunity Act). The delegation was comprised of a joint Government of Ghana/Ghana Private Sector delegation of eight representatives from the Ministry of Industry and Trade (MOTI) and the private sector led by the Deputy Minister of Trade & Industry - Honorable Akwasi Osei-Adjei. From Sigma One, Mr. Michael F. Klesh, Mr. Ralph Franklin and Mr. Kishore Bunjun (Mauritius) organized the Study Tour.

PURPOSE OF ACTIVITY: The purpose of this activity was to assist Ghana's textile/garment public-private partners to review the experiences of the two (and originally Lesotho, canceled due to schedule conflict) of the most successful AGOA member countries in; (a) increasing garment and textile exports to the USA; (b) identifying factors that will facilitate the development of a garment export industry in Ghana (c) and possibly, in initiating collaborative partnerships between the industries in South Africa, Mauritius with Ghana.

The visit was organized to meet with export garment and textile leaders in South Africa and Mauritius in both the private and public sectors. Meetings were focused on identification of the critical elements for garment exports, such as adequate infrastructure and promotion programs employed to attract investment. Some of the discussions also explored the extent to which outside investment, joint ventures or procurement contracts could play a role in building linkages between Ghana and the two visited countries. Since this was neither a trade nor an investment mission the scope of these discussions was limited to discussion of notional advantages of linkages between the garment and textile industries between the countries visited and Ghana. In addition, the team met with Customs officials to discuss the procedural changes that were required to facilitate the garment imports and exports.

The AGOA program offers Ghana the potential opportunity to develop a garment export industry that could provide for increased exports and employment. The initial development process will require attracting foreign investors with links to the international garment industry. Attracting these investors will not be easy. There are many countries in Africa competing for the investment and some have a head start on Ghana. Moreover, previous foreign investments in garment manufacturing have ended poorly, due to labor and/or infrastructure difficulties. Country visits, such as this Study Tour to Mauritius and South Africa, may prove successful in attracting investment in the garment industry and thus increase exports. The real lesson-learned was that Ghana needs to have a market-driven approach in order to increase Ghana's share of benefits that accrue from AGOA. The AGOA study Tour delegation from MOTI (Ghana) will independently identify the lessons learned from South Africa and Mauritius

STUDY TOUR LESSONS & SUGGESTIONS:

(1) Industry driven-led AGOA Implementation in South Africa and Mauritius:

In South Africa and Mauritius, government does not take a lead role in implementing AGOA. Rather the private sectors in each country –through business associations, federations and private consultants- take the guiding role in training and implementation of AGOA (e.g. for custom and visa compliance of exports) with balanced government collaboration and oversight. The Ghana Study Tour frequently asked organizations and government officials in both countries Who comprises the “AGOA Secretariat.” The response was simply there are no official AGOA Committees but rather working groups led by the private sector with government. Ghana may need to examine how to mobilize its private sector foundations and trade associations to take a management role in the promotion and implementation AGOA.

Some of the delegates on the Study Tour wondered if the South African experience may not be applicable to Ghana since in the delegation’s view, South Africa’s garment industry was seemingly built under the apartheid system. Rather, the garment and textile industry in South Africa, in order to survive, had to throw of the statist and inefficient protectionist system inherited from the apartheid years in order to compete in the global economy. The apartheid system should not be associated with the garment and textile industries of today’s South Africa. Assuredly, AGOA has also stimulated a certain re-orientation of the industry in South Africa toward a greater export-oriented focus.

A number of Ghana Study Tour meetings in both countries were with customs and excise officials. Mauritian and South African government officials lauded USTR and U.S. Customs cooperation for both initial and on-going training and compliance exercises. The U.S. Government provides “Train the Trainers” courses on AGOA compliance and procedures. To both host government and industry federations and associations. Trade associations (e.g. Export Garment Council of South Africa) provide training to their members on AGOA procedures and after such training are sought after and viewed by their national governments as experts in AGOA compliance. This was underscored by comments made by South Africa and Mauritius Ministries of Trade and Industry in several meetings with the delegation.

Lastly, as underscored by the depth of participation and attendance by United States Mission representatives involved in AGOA (including U.S. Ambassador to Mauritius and a number of senior USG officials in South Africa responsible for AGOA promotion),

Ghana should examine how the U.S. Government could assist the Ghana private sector in developing an AGOA promotion and training strategy.

(2) Fostering a Tripartite Alliance: Labour, Local Government and Industrial Relations in Implementing AGOA:

In Cape Town (South Africa) an important meeting was held with representatives of the South African Garment Workers Union (SAGWU), the Minister of Economic Affairs (Western Cape) and representatives from the fashion and garment industries. The Union (SAGWU) emphasized their successes in retaining jobs (and minimizing job retrenchment) by taking a leadership role in promoting Cape Town as a fashion capital in Africa. The Union recognizes AGOA implementation is in their members' interests and thereby SAGWU organizes events to promote and advertise new market penetration including recent AGOA successes. In fact the Union acknowledged that AGOA saved at least 50, 000 garment jobs in the Western Cape. The Ghana Study Mission was keenly interested in this close relationship among local government, (which has declared AGOA-led garment exports as one top three economic priorities), the unions and management.

(3) The Customer is King:

Throughout the Mission and especially during visits to garment and textile producers, the Study Tour saw examples on the factory floor that finding markets and producing to the standards of the market are the essential ingredients to AGOA success. World maps identifying customers and their markets and the linkages of such markets to job creation were evident in several factories. The U.S.A and its cities and states were prominently highlighted since AGOA implementation.

One key finding by the Study Tour was that small garment producers can and do participate in AGOA as suppliers and joint venture partners to the larger garment exporters. Otherwise small producers may not have the human resources nor the capacity to comply with AGOA guidelines and procedures. Often small and micro producers benefit from AGOA as joint venture or supply partners with well-established large firms in South Africa and Mauritius since larger manufactures can better guarantee quality, quantity and timeliness requirements as well bridge financing for export to the large American buyer.

(4) Ghana: Finding Strategic Partners for AGOA Success:

‘Ghana needs to compete’ was the insightful and consistent message from South Africa and Mauritius government and industry leaders. Ghana is too small a producer to compete alone in finding new markets and expanding into its present ones in the present global garment market. Ghana and its private sector will need to build its capacity through joint ventures with other countries to better identify and to attract joint ventures from AGOA successful countries. Since South Africa and Mauritius are non-LDC countries under AGOA, Ghana has a strategic opportunity to assist these countries in sourcing fibre and yarn as well as a potential destination for direct FDI from these two countries. The Chairman of the Export Garment Council of South Africa was invited by the Study Tour delegation to Ghana to assist in these endeavours. This suggestion should be vigorously pursued.

Study Tour Agenda

Friday November 1 GHANA:

2300 Mission Departure from Accra on SAA # 53

Saturday November 2: Johannesburg, SOUTH AFRICA

0715 Arrival Johannesburg

1900: Briefing on Program and Objectives

Sunday November 3: Johannesburg and Pretoria, SOUTH AFRICA

1800: Dinner with Ghana High Commissioner in Pretoria

Monday November 4: Johannesburg, SOUTH AFRICA

All day meetings at USFCS with U.S. & South African Government and Business Representatives on AGOA:

0845: Welcome by Minister Counselor – Mr. Johnnie Brown USFCS and Ms. Averill Millard – USFCS Advisor on AGOA (textiles and clothing)

0900: TEXTILE FEDERATION (TEXTFED) OF SOUTH AFRICA PRESENTATION:
Mr. Brian Brink - Executive Director (TEXTFED)

1015: -1030 Tea and Coffee Break

1030- 1145 TEXTFED and questions and answers (continued)

1130- 1215: Break

1215-1300: sandwiches/ light lunch and introduction of afternoon program
Round Table presentations:

1300-1700 (with tea break at 1430)

Mr. Sake van der Wal: Export Manager , Textiles and Clothing; Trade and Investment South Africa (TISA), Department of Trade & Industry

Mr. Alan Tousignant – Economic Officer -U.S. Embassy South Africa AGOA –Textile and Clothing

Mr. Fertice Miller III – AGOA Trade Development Specialist , Ebony Consulting International

Mrs. Mary Joyce Awotwi – Minister-Counselor/Head of Chancery – Ghana High Commission

AGOA Lessons-Learned from States of Florida and Illinois Directors for South Africa:
(Ms. Tongela Manley and Ms Monica Stewartt.

1700: Return to Park Hyatt

Tuesday November 5: Johannesburg, SOUTH AFRICA

Schedule: side meetings with AGOA presenters from Monday

Wednesday November 6th Cape Town

1200: SAA# 375 Johannesburg-Cape Town

1400: Arrive Cape Town

1500: Arrival Holiday Inn – Waterfront Cape Town

Thursday November 7 :Cape Town , SOUTH AFRICA;

Sponsored by the Export Clothing Council of South Africa

TIME	VENUE	ORGANISATION	CONTACT	OBJECTIVE
09H30 – 11H30	Cape Chamber of Industries	Export Council for the Clothing Industry	Jack Kipling, Chairman	➤ Overview of the clothing industry in

		in South Africa		<ul style="list-style-type: none"> ➤ South Africa ➤ Export performance ➤ AGOA ➤ Growth Strategies – Export ➤ Challenges facing the South African clothing industry ➤ Regional opportunities
11h30 – 13h00	House of Monatic (Possible change with Bibette)	Men’s clothing manufacturer exporting to USA and EU	Brian Buckingham, MD	<ul style="list-style-type: none"> ➤ To gain an impression of a successful menswear manufacturer, and to hear, firsthand, some of the challenges of exporting
13h00 – 14h30	Kirstenbosch for lunch (Suggestion)		TBD	
14h30 – 16h00	Bibette (possible change to other garment company)	Ladies clothing manufacturer exporting to USA and EU	Kenny Winer, MD	<ul style="list-style-type: none"> ➤ To gain an impression of a successful ladieswear manufacturer, and to hear, firsthand, some of the challenges of exporting
16h00 – 16h30	Optional: <ul style="list-style-type: none"> ➤ Bibette ➤ Chamber ➤ Hotel 	Export Council for the Clothing Industry in South Africa	Jack Kipling, Chairman	<ul style="list-style-type: none"> ➤ Closing session and questions

6 Hawthornden Road Kenilworth 7700 Cape Town, South Africa
Tel Int: +27 21 761 6394 Local: 021 761 6394
Int: +27 21 761 6421 Local: 021 761 6421
Fax Int: +27 21 761 6421 Local: 021 761 6421
Cell: 082 374 8981 E-mail: jack@clothingexports.co.za

Friday, November 8: CAPE TOWN

0815: Depart Holiday Inn- Waterfront with Mr. Martin Viljoen (Executive Director – South Africa Textile Export Council: “SATIEC”) for factory visit

0900 Arrival to BMD Textiles in Diep River (40 minutes from Cape Town) for tour of the factory and discussions with management about textile industry in SA, expectations of growth and exports.

1200 Lunch

1400 -1615 : Western Cape Province Government Roundtable at (MEC building in Cape Town) contact Penny Festus (PA) to Minister of Finance (Western Cape Province) Ebrahim Rasool office (

Invited guests include representatives from:

South African Clothing and Textile Union

WESTGRO

Finance/ports/customs (Tony Loots at Customs (tloots@sars.gov.za))

1630: Reception: hosted by Shaun Johnson, Deputy Chief Executive Officer, Independent South Africa, and Bonnie Judzen, General Manager, Independent Cape. A short Presentation about the media group and its African interests, followed by a tour of the building (presses, etc) followed by a cocktail function in the executive suite. U.S. Counsel General to Cape Town, Mr., Steve Nolan also made remarks

Saturday, November 9 CAPE TOWN/JOHANNESBURG

AM: Study tour meetings (delegation only) in Cape Town

1740: Departure by SAA Cape Town to Johannesburg

2000: Transfer to Park Hyatt for overnight

Sunday November 9 JOHANNESBURG/MAURITIUS

0630: Check out of Park Hyatt

0645: Departure to Airport

0915: Departure Johannesburg SAA # 190

1515: Arrival Mauritius met by protocol officers of the Mauritius government. Transfer to hotel: Mauritius Hilton

Monday and Tuesday November 10 and 11: MAURITIUS (see matrix below)

MAURITIUS PROGRAMME

*Visit of delegation from the Republic of Ghana
10th November – 12th November 2002*

Co-coordinator: Officer of MIDA

DAY/DATE	TIME	ACTIVITIES	REMARKS	CONTACT NO.
Sunday 10 th Nov.	15 10 hrs	Arrival by Flight SA 190	To be met by Mr. R. Moolye, Mr. R.K. Bunjun and a representative of MIDA	Drive to Hilton Hotel, Flic en Flac
Monday 11 th Nov.	09.30 hrs	Courtesy call on Hon. J.K. Cuttaree, Minister of Industry and International Trade, Level 7, Air Mauritius Bldg, Port Louis	Confirmed	Mr. Kawol / Mlle. Ramdin 210 3774 Mrs. Cheeneebash 208 7750 Mr. Servansingh / Mr. Cheeroo 208 3301 Miss Rajmun 208 5216/
	10.00 hrs	Courtesy call on Hon. J. Koonjoo, Minister of Commerce & Cooperatives, L3, LIC Centre, Pres. J. Kennedy, Ave., Port Louis	Confirmed	
	10.30 hrs	Working session with MIDA, BAI Bldg., Pope Hennessy St., Port Louis	<i>Confirmed</i>	
	11.30 hrs		<i>Confirmed</i>	
	12.30 hrs	Working session at MCCI, Royal Road, Port Louis		
	14.00 hrs	Lunch offered by Ministry Commerce &	Confirmed	

	15.00 hrs	Cooperatives OR MIDA Working Session with MEPZA, Unicorn House, Port Louis	Confirmed	2111476 Mrs. D. Gopal 211 4190
	16.00 hrs	Working session with BOI, 11 th Floor, Victoria Bldg., Port Louis	<i>Confirmed</i>	Mr. S. Nundlall 206 2573
	18.30 hrs	Meeting with MFA / MFD Cocktail offered by MIIT at Le Sirius at Labourdonnais Water Front Hotel, Port Louis		

Tuesday 12 th Nov.	09 .00 hrs	Working Session at Foreign Trade Division, Ministry of Commerce & Cooperatives, 4 th Floor, Anglo Mauritius Building, Port Louis	Confirmed	Mr. Radha 208 07 65
	10.00 hrs	Working session with Custom's Department, IKS Bldg., Port Louis		Mr. Ramen 240 0100
	11.00 hrs	Courtesy call on His Excellency Mr. John Price, Ambassador		
	11.45 hrs	Roundtable lunch on AGOA lessons-learned – Ghana House, Mauritius	To be arranged by MIDA	
	16.20 hrs	Departure by SA190		

Tuesday, November 12: MAURITIUS/SOUTH AFRICA

1620: Departure Mauritius to Johannesburg

1845: Arrive Johannesburg

1930: Transfer to Park Hyatt (Ms. Diane Parker)

Wednesday November 13: SOUTH AFRICA/GHANA

0630: Departure for Johannesburg International Airport (transfer per Ms. Parker)

0915 SA# 3053 Johannesburg to Accra

1725: Arrive Accra

Key Contacts in South Africa and Mauritius (partial list):

South Africa

Ms. Ellen Serwaa Nee-Whang - High Commissioner of Ghana to South Africa (and Mauritius)

Mrs. Mary Joyce Awotwi – Minister Counselor/Head of Chancery – Ghana High Commission

Mr. Johnnie Brown – Minister Councilor United States Foreign Commercial Service (USFCS)

Ms. Averill Millard USFCS Commercial Specialist (AGOA)

Mr. Alan R. Tousignant – First Secretary – Embassy of the United States

Ms. Retha du Randt – Economic Specialist (AGOA) – Embassy of the United States

Mr. Sake Van Der Waal – Export Manager, Textiles & Clothing, Trade and Investment South Africa – Ministry of trade and Industry – Republic of South Africa

Mr. Brian Brink - Executive Director South African Textile Federation (TEXFED)

Mr. Fertice Miller III – AGOA Trade Specialist, South African International Business Linkages (SAIBL) Ebony Consulting International

Mr. Jack Kipling – Chairman, The Export Council for the Clothing Industry South Africa

Mr. Martin D. Viljoen – Executive Director SATIEC (South Africa Textile International Export)

Mr. Steve Nolan – United States Consul General –Cape Town

Mr. Larry Farris – United States Commercial Consul (USFCS) Cape Town

Mr. Jaisvir (Jais) Sewpaul – United States Commercial Specialist (USFCS)

Mauritius

Mr. Rechad Mooye

Assistant Secretary (Industry Division) , Mauritius Ministry of Industry,
Commerce and International Trade

Ms. Danielle T. Y. Wong

Director – Mauritius Export Processing Zone Association (MEPZA)

Mr. R. T. Rajiv Servansingh

Deputy Secretary General, The Mauritius Chamber of Commerce and
Industry

Ms. Micheline Sewoo-Feillafe

Honorary Consul of Ghana to Mauritius

Mr. John Price

United States Ambassador to Mauritius

Ms. Bisa Williams

Deputy Chief of Missions – U.S. Embassy, Mauritius

Mr. Rahmat Caunhye

Economic/Commercial Assistant – U.S. Embassy, Mauritius

Mr. Kishore Bunjun – Ministry of Environment

BRIEF PROFILE OF THE GHANAIAN DELEGATION

AGOA Study Tour of South Africa and Mauritius, November 2002.

**Honourable Akwasi Osei-Adeji - Deputy Minister of Trade and Industry and
Member of Parliament.**

The Honourable Osei-Adjei is the Delegation leader and Chairman of the National
AGOA Implementation Committee.

Mrs. Nora Bannerman-Abbott -Fashion Designer and Managing Director of a Garment Export Firm Private Sector Representative –MOTI AGOA Implementation Committee.

Mrs. Bannerman-Abbott has over 20 years of experience in the Garment and Textile Industry and has represented Ghana and her firm in International Trade and Fashion Shows in France, Germany, UK, USA South Africa and West Africa. She has successfully exported to the United States. She is the former vice president of the Garments manufacturing Cluster in Ghana. Her firm is one of the leading firms selected for Ghana's Presidential Special Initiative for textiles and garments.

Ms. Julia Anokye -Principal Industrial Promotion Officer, Ministry of Trade and Industry

Ms. Anokye is a career Industrial Development Officer at the Ministry of Trade and Industry focusing in the Garment & Textile Sector. She is a member of the AGOA implementation committee. She is interested learning how South Africa and Mauritius are capitalizing on AGOA.

Mr. Daniel Hagan -Acting Director, Policy, Planning, Monitoring and Evaluation, Director, Management Information Systems division Ministry of Trade and Industry

Mr. Hagan is a member of the MOTI AGOA implementation Committee. He is keenly interested in the institution arrangements that are required for successful gaining benefits from AGOA. He is particularly interested in learning how the Labour – Employers' relationships work in South Africa with particular reference to AGOA.

Ms. Josephine Hayford-Fashion Designer & Manufacture Private Sector Representative –MOTI AGOA Implementation Committee.

Ms. Hayford is a Fashion designer with over 8 years experience operating a production facility employing 35 people. She has exhibited at International Trade Fairs in Ghana and major exhibitions in The Caribbean, Germany, the United States, The Netherlands and throughout the West African Region. In 1999 she was recognized as the best young woman entrepreneur by the Ghana Association of Women Entrepreneurs. Ms. Hayford participated in a similar study tour to China earlier this year. On this tour, she is interested in learning how AGOA operates in South Africa for the Garment and Textile industry.

Mr. Gordon Asare Kyeremateng -Director of the Ghana AGOA Secretariat, Ministry of Trade and Industry (MOTI).

Mr. Kyeremateng is a Management and Business Development Specialist. His focus at the AGOA Secretariat is to restructure and decentralize and increase the quality of the technical support provided to Ghanaian firms exporting under AGOA.

Mr. Philip Jude Mensah -Investigations Department, Customs, Excise and Preventive Services (CEPS)

Mr. Mensah is a Customs official with over 12 years of experience. A lawyer by training previously served in the CEPS Legal Department. He is responsible for coordinating and organizing the Customs related aspects of AGOA. He is a member of the AGOA Implementation Committee. He is specifically interested in how South African Customs organized its AGOA related port procedures and how new documentation procedures regulate AGOA Exports.

Mr. Maxwell Osei-Kusi, Senior Export Development Officer, Ghana Export Promotion Council

Mr. Osei-Kusi is in charge of the Information systems at the Ghana Export Promotion Council. His prime interest on this tour is in the documentation trail required for exports to enter the United States under AGOA provisions. He is also interested in understanding how public sector institutions facilitate exporters. The relevant aspects of how the public sector works with exporters at the factory level.

The Study Tour was funded by the Ghana Ministry of Trade and Industry, The USAID Mission to Ghana-Trade, Agriculture and Private Sector Office, The USAID/Ghana Trade and Investment Reform Program and Sigma One Corporation.